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UNCLAS SECTION 01 OF 02 VATICAN 005650

SIPDIS

DEPT. FOR EUR/WE (MENNUTI)

FROM EMBASSY VATICAN/MESSAGE NO. 190/01

E.O. 12958: N/A

TAGS: [PHUM](#) [ETRD](#) [ECON](#) [ETRD](#) [ECON](#) [VT](#) [USTRD](#) [WTRO](#) [VTPHUM](#) [USTRD](#) [WTRO](#)

SUBJECT: VATICAN-WTO: GREATER TRADE, IPR FLEXIBILITY FOR

DOHA

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REF: VATICAN 5310

SUMMARY

1. THE VATICAN FOREIGN MINISTRY ISSUED A NOTE VERBALE OCTOBER 26 TO ALL ACCREDITED MISSIONS OUTLINING THE HOLY SEE'S STANDARD POSITION AHEAD OF THE WTO DOHA MINISTERIAL THAT DEVELOPED NATIONS SHOULD BE MORE OPEN TO IMPORTS FROM THE DEVELOPING WORLD, WHILE WARNING DEVELOPING COUNTRIES AGAINST FOLLOWING A "CRUDE PROTECTIONIST PATH." THE NOTE ALSO INCLUDED A COPY OF ITS JULY 2001 TRIPS COUNCIL NON-PAPER ENTITLED "INTELLECTUAL PROPERTY AND ACCESS TO BASIC MEDICINES" WHICH PROPOSED GREATER ACCESS TO PHARMACEUTICALS IN THE POOREST COUNTRIES. THIS RELEASE FOLLOWED AMBASSADOR'S MEETING (REFTEL) IN WHICH POST AND U.S. PHARMACEUTICAL INDUSTRY REPS PRESSED VATICAN CONTACTS FOR GREATER UNDERSTANDING OF THE NEED FOR IPR PROTECTION.

FAIR TRADE FOR ALL

2. THE VATICAN'S PRE-DOHA DOCUMENT, ENTITLED "DEVELOPMENT DIMENSIONS OF THE WORLD TRADE ORGANIZATION," CALLED FOR "GESTURES OF FLEXIBILITY AND SOLIDARITY" AS A STEP TOWARDS A MORE INCLUSIVE VISION OF WORLD TRADE. THE VATICAN SEES "THE ENHANCED DEVELOPMENT OF POORER COUNTRIES" AS A PLUS FOR GLOBAL ECONOMIC PROGRESS AND INTERNATIONAL PEACE AND
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SECURITY. THE VATICAN BELIEVES THE LEAST DEVELOPED NATIONS HAVE ONLY "A MARGINAL AND DIMINISHING SHARE" IN WORLD TRADE. FAIR TRADE RELATIONS, ACCORDING TO THE VATICAN, ARE AN ESSENTIAL COMPONENT OF ECONOMIC AND HUMAN DEVELOPMENT. THE VATICAN WARNS THAT ECONOMICS AND TRADE MUST BE PURSUED WITHIN THE BROADER CONTEXT OF HUMAN DEVELOPMENT, THE PROMOTION OF HUMAN RIGHTS AND THE ELIMINATION OF POVERTY.

3. THE VATICAN CALLS FOR THE ELIMINATION OF "TRADE AND PRODUCTION DISTORTING EXPORT SUBSIDIES." IT SEEKS MARKET ACCESS FOR PRODUCTS IN WHICH THE POOREST COUNTRIES HAVE COMPARABLE ADVANTAGE. HOWEVER, THE VATICAN WARNED DEVELOPING COUNTRIES AGAINST FOLLOWING A "CRUDE PROTECTIONIST PATH," INSTEAD THESE COUNTRIES SHOULD FOLLOW A "SOLID AND VIABLE PATH TO FREE TRADE THAT PERMITS THEM TO ENTER INTO AN EQUITABLE DIALOGUE WITH INTERNATIONAL MARKETS." THE ECONOMIC AND NEGOTIATING POWER DISADVANTAGES OF LESS INDUSTRIALIZED ECONOMIES AND COMMODITY PRODUCER ECONOMIES CAN BE OVERCOME BY FULLY IMPLEMENTING THE EXISTING WTO SPECIAL AND DIFFERENTIAL TREATMENT PRINCIPLE. THE VATICAN URGES THAT DEVELOPING NATIONS RECEIVE TECHNICAL AND FINANCIAL ASSISTANCE TO MEET EXISTING WTO OBLIGATIONS. ASSISTANCE IS ALSO ASKED TO BROADEN AND DIVERSIFY THEIR PRODUCTION AND EXPORT BASE AND TRADE PROMOTION EFFORTS.

4. THE VATICAN LAMENTS THE FACT THAT DEVELOPING COUNTRIES ARE FORCED TO DIVERT VITAL RESOURCES TO IMPLEMENTING NEW INTERNATIONAL DUTIES, ESPECIALLY INTELLECTUAL PROPERTY PROTECTION. THE VATICAN CALLS FOR A REVIEW OF TRIPS TO BALANCE THE INTERESTS OF DEVELOPED AND DEVELOPING COUNTRIES, ESPECIALLY WHEN "THE LIFE OF PEOPLE COULD BE A STAKE." THE
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VATICAN ASKS THAT NO TRADE INTEREST HINDER THE MOST ESSENTIAL ASPECTS OF THE RIGHT TO LIFE.

5. THE VATICAN URGES GREATER TRANSPARENCY FOR THE WTO IN ALL ASPECTS OF DECISION MAKING. DEVELOPING NATIONS NEED TO "OWN" THE DECISIONS THAT IMPACT DIRECTLY ON THEIR ECONOMIES AND THEIR PARTICIPATION IN THE GLOBAL MARKET. THE VATICAN ASKS THAT THE NEGOTIATING AND REPRESENTATIONAL DIFFICULTIES OF THESE NATIONS BE CONTINUALLY ADDRESSED. IT ALSO WARNED

THAT THE WTO COULD NOT RESOLVE ALL THE DEVELOPMENT CHALLENGES OF TODAY'S WORLD AND SUGGESTED THAT ATTEMPTS TO OVER-STRETCH ITS MANDATE SHOULD BE RESISTED.

SOCIAL MORTGAGE ON PHARMACEUTICAL PROFITS

16. THE TRIPS NON-PAPER SUGGESTS ACCESSIBLE PRICE IS A DETERMINANT FACTOR IN ACCESS TO MEDICINES AND THAT FUNDAMENTAL SOCIAL FACTORS MUST BE BALANCED AGAINST HIGH PRICING TO ATTRACT INVESTORS AND MAINTAIN RESEARCH AND DEVELOPMENT. THE VATICAN URGES AN "INNOVATIVE PRICING SYSTEM" TO PRESERVE R AND D INCENTIVES, SUGGESTING LUXURY AND NON-ESSENTIAL PHARMACEUTICAL PRODUCTS (COSMETICS) SHARE A GREATER BURDEN FOR R AND D OF ESSENTIAL MEDICINES. ACCORDING TO THE VATICAN, "A BROAD-BASED COMMITMENT OF SOLIDARITY IS THE BEST WAY TO PREVENT POOR COUNTRIES FROM FALLING INTO THE TEMPTATION OF WEAKENING THE INTELLECTUAL PROPERTY RIGHTS FRAMEWORK."

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	CTME-00	INL-00	DINT-00	DODE-00	ITCE-00	DOTE-00	SRPP-00
	EB-00	EXME-00	E-00	FAAE-00	UTED-00	VC-00	FRB-00
	H-01	TEDE-00	INR-00	IO-00	ITC-01	JUSE-00	LAB-01
	L-00	VCE-00	AC-01	NSAE-00	NSCE-00	OES-01	OIC-02
	OMB-01	OPIC-01	CAEX-01	PA-00	PC-01	PRS-00	ACE-00
	P-00	SP-00	SSO-00	SS-00	STR-00	TEST-00	TRSE-00
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FM AMEMBASSY VATICAN
TO SECSTATE WASHDC 0000
INFO WORLD TRADE ORGANIZATION COLLECTIVE

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17. THE VATICAN RECOGNIZES THAT THE COUNCIL FOR TRIPS CANNOT RESOLVE THE ACCESSIBILITY TO BASIC MEDICINES PROBLEM. IT URGES THE COUNCIL TO MAKE A FUNDAMENTAL CONTRIBUTION THE IMPLEMENTATION OF TRIPS RULES THAT IS CONSISTENT WITH A UNIFIED VISION OF LAW, BASED ON RESPECT FOR HUMAN RIGHTS, AND APPLYING THOSE ARTICLES OF THE WTO TREATY THAT CALL FOR A PRO-DEVELOPMENT INTERPRETATION OF THE WHOLE LEGAL BODY. THE VATICAN SUGGESTS "THIS WOULD CONTRIBUTE TO A BROAD AND NOT RESTRICTIVE INTERPRETATION OF ARTICLES 30 AND 31, WHICH WOULD ALLOW THAT LICENSING FEES MAY BE FIXED IN ACCORDANCE WITH THE REAL PURCHASING CAPACITY OF THE POOREST COUNTRY, BALANCED WITH A SYSTEM THAT BLOCKS THE RE-EXPORT OF THE LICENSED PRODUCTS TO THE ORIGINAL MARKETS."

18. COMMENT: IN NONE OF THIS DOES THE VATICAN APPEAR TO REFLECT AN UNDERSTANDING OF THE PURELY COMMERCIAL INTEREST OF THOSE "DEVELOPING" COUNTRIES WHICH HAVE A SUBSTANTIAL PHARMACEUTICAL INDUSTRY (EG. INDIA, BRAZIL). WE WILL FOLLOW UP ON THIS THEME WITH THE PONTIFICAL COUNCIL FOR HEALTH CARE ISSUES. POST HAS FAXED COPIES OF THE VATICAN DOCUMENTS TO EUR/WE. END COMMENT. NICHOLSON

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